

CRESSET WEALTH ADVISORS LLC

FORM ADV 2A – DISCLOSURE BROCHURE

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This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Cresset Wealth Advisors LLC (“Cresset” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (312) 429-2400 or by email at info@cressetwealth.com.

Cresset is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Cresset to assist you in determining whether to retain the Advisor.

Additional information about Cresset and its Advisory Persons are available on the SEC’s website at www.adviserinfo.sec.gov by searching with our firm name or by our CRD# 288566.

Item 2: Material Changes

This Disclosure Brochure is the disclosure document for Cresset Wealth Advisors LLC ("Cresset," "we" and/or the "Advisor") prepared according to regulatory requirements and rules.

The following material changes have been made to this Disclosure Brochure since the last filing and distribution to Clients:

- The Advisor has appointed Robert Pagliuco as Chief Compliance Officer.
- The Advisor has updated its phone number to (312) 429-2400.
- The Advisor offers retirement plan advisory services. Please see Items 4 and 5.

We will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days of the close of our fiscal year. We will also provide you with other interim disclosures about material changes to the information provided in this Disclosure Brochure as necessary or required.

Whenever you would like to receive a complete copy of the current Disclosure Brochure, please contact us at (312) 429-2400 or info@cressetwealth.com. We will be happy to provide you with a complete copy.

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Item 4: Advisory Business

Description of the Firm

Cresset Wealth Advisers LLC ("Cresset" or the "Advisor") is registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"), which is organized as a limited liability company under the laws of the State of Delaware. Cresset was founded in March 2017. Cresset is a wholly-owned subsidiary of Cresset Capital Management LLC, a privately held Delaware limited liability company owned by Eric Becker (Co-Founder) and Avy Stein (Co-Founder). Cresset is operated by Douglas Regan (Chief Executive Officer), David Mills (Chief Financial Officer), Daniel Lidawer (Chief Operating Officer) and Robert Pagliuco (Chief Compliance Officer).

The Advisor serves as a fiduciary to Clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Description of Services Offered

Cresset offers investment advisory services to individuals, high net worth individuals, trusts, estates, retirement plans, charitable organizations, and corporations and other business entities (each referred to as a "Client").

Investment Advisory Services

Cresset offers continuous and ongoing investment advice and portfolio management services. Our advice and services are tailored to meet our Client's individual needs, life circumstances and investment goals. We have discussions with the Client to determine the Client's investment objectives, risk tolerance, time horizons and liquidity needs. We use the information we gather to create an individualized investment portfolio ("Investment Policy or "IPS") for the Client, who will review and approve the IPS.

Clients may impose reasonable restrictions and guidelines on investing in certain securities, types of securities or industry sectors. We expect all such restrictions to be timely communicated to us. Client restrictions and guidelines may negatively affect investment performance. We also expect Clients to inform us of any changes to their financial circumstances, investment objectives or risk tolerance, or of any modifications or restrictions that should be imposed on the management of the Client's account[s]. In this manner, Cresset can better serve our Clients' needs.

Account management and supervision is guided by the Client's IPS and market conditions. We manage Clients' investment accounts on a discretionary and non-discretionary basis. Once we construct an Investment Policy for a Client, we will monitor the portfolio's performance on an ongoing and continuous basis, unless otherwise agreed, and will make adjustments and reallocations as necessary due to changes in market conditions and the Client's circumstances as communicated to us.

For our discretionary asset management services, Cresset will receive a limited power of attorney to effect securities transactions on behalf of a Client. The Client may limit our discretionary authority by providing us with a written communication that details restrictions and other guidelines.

Unless otherwise agreed to by the Client and Cresset, if we manage a Client's account[s] on a non-discretionary basis, we will have the ongoing responsibility to make investment recommendations based on the Client's individualized investment strategy or we will develop and implement an asset allocation strategy, which we will continuously monitor and supervise. We would first obtain a Client's approval

before executing transactions in a non-discretionary account. Requests for approval will be communicated via electronic mail to an authorized account or via a telephone call to an authorized phone number. The Client will be responsible for responding in a timely manner.

We explore different types of investment options and strategies in the design of a Client's customized IPSs. Our investment recommendations are not limited by any specific product or service offered by a broker-dealer or custodian. These recommendations will generally include, but not necessarily be limited to, security types from the following list:

- Money market funds and other cash instruments
- Exchange listed securities, and securities traded over-the-counter
- Mutual fund shares and exchange traded fund shares – passive and actively managed
- Separately managed accounts
- Corporate debt securities
- Hedge fund and private equity shares
- Municipal securities
- U.S. governmental securities
- Real estate investment trust shares/interests
- Structured products and derivatives
- Options and warrants
- Alternative non-traded private investments

Each type of security has its own unique set of risks associated with it, and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Because some types of investments involve certain additional degrees of risk, they will only be recommended and implemented when consistent with the Client's IPS.

Use of Independent Managers

As part of our investment advisory services, we may recommend one or more third-party money managers to manage all or a portion of the Client's investment portfolio. Factors we take into consideration when making our recommendation include, but are not limited to, the money manager's performance, investment strategies, methods or analysis, advisory fees and other fees, assets under management, and the Client's financial objectives and risk tolerance.

We would generally retain authority to hire/fire the third-party money manager, and we regularly monitor the performance of the money manager to ensure its management and investment style remain aligned with the Client's objectives and risk tolerance. Cresset continuously manages any third-party money manager relationship and continuously monitors the Client's account[s] for performance metrics and adherence to the Client's IPS.

Each third-party money manager maintains a separate disclosure document that will be provided directly to the Client from the third-party money manager. The Client should carefully review the third-party money manager's disclosure document for information regarding fees, risks and investment strategies, and conflicts of interest. The third-party money manager will charge fees to the Client, which fees will be in addition to the fees charged by Cresset.

Financial Planning Services

Cresset also provides financial planning services. Such services include a comprehensive evaluation of a Client's financial situation by using currently known facts and variables. We create a financial plan for the Client, which is designed to assist the Client to achieve financial goals and objectives. We may also prepare reports at the Client's request.

A financial plan may address one or more of the following areas:

- **Financial Position:** Understanding of a Client's current financial situation. Sources of evaluation include income, expenses, assets, liabilities, etc.
- **Investment Planning:** Determining the most suitable way to structure investments to meet financial goals, and determine the appropriate account type (*e.g.*, joint tenants, IRA, Roth IRA, etc.)
- **Income Tax Planning:** Evaluating the current tax situation to help minimize a Client's taxes and find more profitable ways to use the extra income generated.
- **Retirement Planning:** Assessing retirement needs to help a Client determine how much to accumulate, as well as distribution strategies designed to create a source of income during retirement years.
- **Credit Planning:** Evaluating a Client's credit needs.
- **Insurance Planning and Risk Management:** Evaluating the Client's insurance needs and reviewing insurance policies and the like.
- **Estate Planning:** Reviewing the Client's cash needs at death, income needs of surviving dependents and estate planning goals.
- **Education Planning:** Reviewing the educational needs for the Client and his/her family, along with planning for educational expenses.

We gather information through interviews and review of documents provided by the Client, including questionnaires. Information gathered includes the Client's current financial status, future goals, investment objectives, risk tolerance and family circumstances.

Typical financial planning services include one or more of each of the aforementioned service components. A financial plan may require the services of a specialist such as an insurance specialist, attorney or tax accountant. We may recommend third-party service providers, but the Client is under no obligation to use any service provider recommended by us. Likewise, the Client is under no obligation to act on our financial planning recommendations.

Financial plans are based on the Client's financial situation at the time we present the financial plan to the Client, and on the information provided to us. The Client must promptly notify us if his/her financial situation, goals, objectives or needs change. Certain assumptions may be made with respect to interest rates, inflation rates, and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that a Client's financial goals will be met.

Retirement Plan Advisory Services

Cresset provides 3(21) retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis

- Employee Enrollment and Education Tracking
- Investment Policy Statement (“IPS”) Support
- Investment Management
- Performance Reports
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance
- Benchmarking Services

Certain of these services are provided by Cresset serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Cresset’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

Wrap Fee Programs

Cresset does not manage or place Client assets into a wrap fee program.

Client Assets under Management

As of May 10, 2018, Cresset manages \$2,059,858,920 in Client assets, all of which are managed on a discretionary basis. Clients may request more current information at any time by contacting the Advisor.

Item 5: Fees and Compensation

Investment Advisory Services

Investment advisory fees are paid quarterly, at the end of each quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the quarter. Investment advisory fees are based on the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee Rate</u>
\$0 to \$1,000,000	2.00%
\$1,000,001 to \$5,000,000	1.50%
\$5,000,001 to \$10,000,000	1.25%
\$10,000,001 to \$20,000,000	1.00%
More than \$20,000,000	0.75%

At no time will Cresset accept or maintain custody of a Client’s funds or securities, except for authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement. Please see Item 12.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client’s fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Cresset will be independently valued by the Custodian. Cresset will not have the authority or responsibility to value portfolio securities.

The Client may make additions to and withdrawals from their account[s] at any time, subject to the Advisor’s right to terminate an account. Additions may be in cash or securities provided that the Advisor reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client’s account[s]. Clients may withdraw account assets on notice to the Advisor, subject to the usual and customary securities settlement procedures. If assets are deposited into or withdrawn from the Client’s account[s], the Advisor’s fee will be adjusted in the next billing period to reflect the fee

difference.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor or its delegate shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the end of the respective quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Cresset at the end of the quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Cresset to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

Cresset is compensated for its services at the end of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

Use of Independent Managers

Clients who use a third-party money manager may also be charged fees by that third-party money manager. Clients should refer directly to the disclosure document provided by the third-party money manager for its fee schedule. Access to certain third-party money managers may be limited to certain types of accounts and may be subject to account minimums as determined by the third-party money manager. The Client may be able to access certain third-party money managers directly. As such, Clients may be able to access such managers at a lower cost through other channels.

Financial Planning Services

Cresset's financial planning fees are based on the nature of the services being provided, who is providing the services and the complexity of the Client's circumstances. Financial planning fees are generally calculated and charged on an hourly basis at an hourly rate that will be agreed upon between Cresset and the Client prior to the performance of any services. Hourly fees are negotiable. Although the length of time it will take to provide a financial plan depends on each Client's personal situation, we will provide an estimate for the total hours at the start of the planning relationship. If it is determined that the estimate is materially incorrect, we will provide the Client with an updated estimate as soon as reasonably determined. We will invoice the Client for the financial planning services, and the fees will generally be due and payable upon delivery of the completed financial plan. Fees may also be negotiated on a per job basis. Additionally, Cresset may reduce or waive the financial planning fees in certain circumstances.

In some circumstances, the financial plan may require the services of a specialist such as an insurance specialist, attorney or tax accountant. (Cresset does not provide any legal, tax or accounting advice.) Cresset may recommend third-party service providers, but the Client is under no obligation to use any service provider recommended by Cresset. Fees for specialists will be negotiated between the Client and specialist directly.

Cresset is compensated for its services upon completion of the engagement deliverable[s]. Either party may terminate the financial planning agreement by providing advance written notice to the other party. The Client may terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for actual hours logged on the planning project times the contractual hourly rate or in the case of a fixed fee engage, the percentage of the engagement scope completed by the Advisor. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 0.75%. Fees may be negotiable depending on the size and complexity of the Plan.

Cresset is compensated for its services at the end of the quarter before advisory services are rendered. Fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement. Either party may request to terminate their services with Cresset, at any time, in whole or in part, by providing advance written notice to the other party. The Client's retirement plan services agreement with the Advisor is non-transferable without the Client's prior consent.

Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than Cresset, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. The fees charged by Cresset are separate and distinct from these custody and execution fees.

In addition, all fees paid to Cresset for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of Cresset, but would not receive the services provided by Cresset which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Cresset to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

Item 6: Performance-Based Fees and Side-by-Side Management

Cresset does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees, which are based on the share of capital gain or capital appreciation of a Client's account.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged a performance-based fee. We do not charge performance based fees.

Item 7: Types of Clients

Cresset offers investment advisory and financial planning services to its Clients. Cresset may offer its services to individuals, high net worth individuals, trusts, estates, retirement plans, charitable organizations, and corporations and other business entities. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. Cresset generally does not impose a minimum size for establishing a relationship. We reserve the right to terminate our relationship with any Client if we believe that the account is too small to effectively manage.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

Cresset may use one or more of the following methods of analyses or investment strategies when providing investment advice to Clients, subject to the Clients' investment objectives, risk tolerance, time horizons and stated guidelines:

- ***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). We look at historical and present financial statements of the company, annual reports, governmental filings and business activities. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Individualized analysis of underlying documentation can vary.
- ***Technical Analysis.*** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not necessarily consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement. Past performance is not a guarantee of future performance.
- ***Quantitative Analysis.*** We use mathematical models and statistical modeling in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect. Quantitative analysis does not necessarily factor in all variables.
- ***Qualitative Analysis.*** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.
- ***Charting.*** We display the performance of a security for review in a graphic version. It can be setup for any length of time and helps determine how the security will perform over time. Generally it is used to predict trends within the security during certain time frames. We look at prospectuses, research materials, financial newspapers and magazines. There is no guarantee that past trends will reoccur.
- ***Asset Allocation.*** Rather than focusing primarily on securities selection, we attempt to identify an

appropriate ratio of securities, fixed income, and cash suitable to the Client's investment goals and risk tolerance. A risk of asset allocation is that the Client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the Client's goals.

- ***Mutual Fund and/or ETF Analysis.*** We look at the experience and track record of the manager of the mutual fund or exchange traded fund (ETF) in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund[s] in the Client's portfolio. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the Client may purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding[s] less suitable for the Client's portfolio.
- ***Alternative Non-traded Private Investments.*** We look to potential transactions sourced by offerors known to Cresset and its related persons. All such offerors or their control persons will be experienced with a verifiable track record of prior transactions. Analysis will include evaluation and due diligence of the transaction, offerors and related persons, performance history and experience of offerors and related persons, liquidity of investment, current and future cash flow potential, and associated risks. Significant risk may be associated with private non-traded investments, and such risk may not necessarily be mitigated by our analysis. This is for sophisticated investors with large net worth and liquid assets to cover losses if necessary.

Cresset may form an investment committee, which would include both senior management and investment managers, to perform analysis of investments on behalf of Clients.

Cresset's analysis methods rely on the assumption that the investment vehicles which we recommend for our Clients, the companies whose securities we purchase and sell on behalf of our Clients, the rating agencies that review these securities, and other publicly or privately available sources of information about these securities, are providing accurate, timely and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate, misleading or untimely information. This is an ongoing risk with regard to all the strategies discussed below.

Investment Strategies

Cresset uses the following strategies in managing Client accounts. Investment strategies and advice may vary depending upon each Client's specific financial situation. As such, we determine investments and allocations based upon the Client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. The Client's restrictions and guidelines may affect the composition of his/her portfolio.

- ***Long-term Purchases.*** We purchase securities with the idea of holding them in the Client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a Client.

Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

- **Short-term Purchases.** When utilizing this strategy, we purchase securities with the idea of selling them when they reach their price targets or passing its catalyst. We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.
- **Margin Transactions.** If granted authority to do so, we may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. Margin trading is not a fundamental part of Cresset's overall investment strategy, but we may use this strategy very occasionally when given authority and we determine that it is suitable given a Client's stated investment objectives and tolerance for risk.
- **Option Writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. We may also utilize structured notes, closed end funds or mutual funds that utilize options strategies. The two types of options are calls and puts. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires. We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio. We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors. Option writing is not a fundamental part of Cresset's overall investment strategy, but we may use this strategy very occasionally when given authority and we determine that it is suitable given a Client's stated investment objectives and tolerance for risk.
- **Lending/Collateral.** We may use the securities within a Client's account as collateral for a loan or borrowing a security. In addition, there may be a fee/interest to pay to maintain the loan/borrow the security. Some securities may be "hard-to-borrow," and therefore there may not be a readily identifiable market or the market will charge a higher fee for borrowing. In addition, the collateral security is still exposed to credit, interest and liquidity risks. If a Client is borrowing against a security, the value of that security may shift, which would leave the Client in an unlimited risk position. This is for sophisticated investors with large net worth and liquid assets to cover losses if necessary.

Risk of Loss

Investing involves a risk of loss. Clients should be prepared to bear investment loss, including the loss of the original principal. Clients should never presume that future performance of any specific investment or investment strategy will be profitable. Further, there may be varying degrees of risk depending on different types of investments. Clients should know that all investments carry a certain degree of risk ranging from the variability of market values to the possibility of permanent loss of capital. Although

portfolios seek principal protection, asset allocation and investment decisions may not achieve this goal in all cases. There is no guarantee a portfolio will meet a target return or an investment objective.

Risks to capital include, but may not be limited to, changes in the economy, market volatility, company results, industry sectors, accounting standards and changes in interest rates. Investments are generally subject to risks inherent in governmental actions, exchange rates, inflation, deflation, and fiscal and monetary policies. Market risks include changes in market sentiment in general and styles of investing. Diversification will not protect an investor from these risks and fluctuations.

Cresset does not engage in high-frequency trading activities or algorithmic trading strategies.

Additional risks may include:

Market risk: Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of Client investments. Stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Common stock (or its equivalent) is generally exposed to greater risk than preferred stocks and debt obligations of an issuer.

Company risk: There is always a certain level of company or industry specific risk that is inherent in each investment. Although this risk can be reduced through appropriate diversification, it cannot be eliminated. There is the risk that the issuer will perform poorly or have its value reduced based on factors specific to the issuer or its industry. If the issuer experiences credit issues or defaults on debt, the value of the issuer may be reduced.

Exchange traded fund and mutual fund risk: The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will incur additional costs associated with ETFs and mutual funds (see Item 5).

Consumer Discretionary ETF Shares are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of a Consumer Discretionary ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV vary significantly. Thus, the Client may pay more or less than NAV when you buy Consumer Discretionary ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares. Although Consumer Discretionary ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained. Trading of Consumer Discretionary ETF Shares on NYSE Arca may be halted by the activation of individual or market wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Consumer Discretionary ETF Shares may also be halted if the shares are delisted from NYSE Arca without first being listed on another exchange or exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

Management risk: Investments managed by us vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities.

Foreign investments risks: Non-U.S. investments, currency and commodity investments may contain additional risks associated with government, economic, political or currency volatility.

Emerging markets risks: Emerging markets can experience high volatility and risk in the short term.

Liquidity risks: Generally, assets are more liquid if many investors are interested in a standardized product, making the product relatively easy to convert into cash. Specialized investments may have reduced liquidity.

Bond risks: Investments in bonds involve interest rate and credit risks. Bond values change according to changes in interest rates, inflation, credit climate and issue credit quality. Interest rate increases will reduce the value of a bond. Longer term bonds are more susceptible to interest rate variations than shorter term, lower yield bonds.

Private non-traded securities risks: Private equity is normally an investment with companies or sectors that are not publicly traded. These investments are normally very illiquid; therefore they are not ideal for Clients with frequent or unknown cash needs. There is normally no public market for private equity shares, if investors need to sell their shares they will so mostly like at a substantial discount. The risk of investing in private equity is the majority or complete loss of invested funds depending on the underlying companies. In addition, investors may not see any return on investment for some time depending on the type of investment; these investments should be seen as a long-term investment subject to high risk of loss.

Real Estate Investment Trusts (“REITs”) risks: Investing in Real Estate Investment Trusts (“REITs”) involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

Alternative Investments (Limited Partnerships) risks: The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

Options risks: Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.

Generally

Cash balances are typically invested daily in interest-bearing money market accounts, unless the Client directs otherwise.

Our strategies and investments may have unique and significant tax implications. Cresset will manage portfolios with an awareness of tax implications, but long-term wealth compounding is our primary consideration. Specific goals regarding account tax efficiency should be set forth in a writing signed by both us and the Client. Regardless of account size or other factors, Cresset strongly recommends that its Clients continuously consult with a tax professional prior to and throughout the investing of Clients' assets. Each Client is responsible for contacting his/her tax advisors to determine which cost basis

accounting method is the right choice for the Client. Clients should provide Cresset with written notice of a Client's selected accounting method, and Cresset will alert the Client's custodian of the individually selected accounting method. Clients should be aware that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Item 9: Disciplinary Information

Cresset is required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of us, our business or the integrity of our management or associated persons.

Neither Cresset nor any of our associated persons has any reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Cresset Capital Management LLC

The Advisor is a wholly owned subsidiary of Cresset Capital Management LLC ("Cresset Capital"), a Delaware limited liability company. Cresset Capital is a privately held partnership consisting of two managing partners. Cresset Capital is also the parent to Cresset Partners LLC.

Cresset Partners LLC

The Advisor is affiliated and under common control with Cresset Partners LLC ("Cresset Partners"). Cresset Partners manages and offers private investments ("Private Investments") to Clients of Cresset, as well as to certain principals and affiliates of the Advisor. Advisory Persons may recommend that Clients invest in Private Investments managed by Cresset Partners. This may cause a conflict of interest in recommending interests of the Private Investments managed by Cresset Partners. However, this risk is mitigated as the Advisor will not receive a profit allocation in connection with certain Client investments in Cresset Partners. Additionally, Clients are not obligated to implement any recommendations made by Advisory Persons or the Advisor.

Willis Stein & Partners Management III, L.P. and Willis Stein & Partners Management III, L.L.C.

The Advisor is affiliated, through common control of, with Willis Stein & Partners Management III, L.P., a Delaware limited partnership and general partner of several private equity funds and Willis Stein & Partners Management III, L.L.C., a Delaware limited liability company and a registered investment advisor with the SEC (herein "Management III"). Clients of Cresset will not be offered advisory services and/or private equity funds of Management III. Cresset shares premises with Management III, however, Management III has no other business dealings in connection with Cresset's advisory business or services provided to Clients, and Cresset has no reason to believe that sharing premises with Management III creates a conflict of interest. All appropriate and necessary security policies and procedures are in place to ensure security of Client information.

Use of Independent Managers

Cresset may, in rare instances and only at the Client's request, recommend a third-party money manager based on the Client's needs. Both Cresset and the third-party money manager will receive advisory fees from the Client. Please refer to Item 5 (Fees and Compensation) for more information regarding third-party money managers. In no event is any Client obligated to use any third-party money manager recommended by us.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Cresset has adopted a Code of Ethics that sets forth high ethical standards of business and professional conduct which we require our employees to follow. The Code of Ethics outlines proper conduct related to all services provided to Clients by Cresset and our associated persons (hereinafter “Supervised Persons”), and includes guidelines for compliance with applicable laws and regulations governing our practice. Our goal is to protect our Clients' interests at all times and demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing.

Personal Securities Transactions and Interests

Through its professional activities, Cresset and its Supervised Persons are exposed to potential conflicts of interest and the Code of Ethics contains provisions designed to mitigate certain of these potential conflicts by governing the personal securities transactions of certain of its employees, officers and directors. In particular, the Code of Ethics governs the conduct of its "Access Persons" in circumstances where Cresset or its Access Persons may desire to purchase or sell securities for their personal accounts that are identical to those recommended by Cresset to its Clients. For these purposes, the Code of Ethics defines an "Access Person" as any Supervised Person of Cresset that (1) has access to nonpublic information regarding any Clients' purchase or sale of securities, (2) has access to nonpublic information regarding the portfolio holdings of any fund the Advisor or its affiliates, or (3) is involved in making securities recommendations (or has access to such recommendations) to Clients that are nonpublic.

Access Persons' trades must be executed in a manner consistent with the following principles:

- The interests of Client accounts will at all times be placed first.
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility.
- Access Persons must not take inappropriate advantage of their positions.
- Preclearance of Access Persons' transactions in securities in a limited offering or private placement is required.

Access Persons must submit quarterly reports regarding securities transactions and newly opened accounts, as well as annual reports regarding holdings and existing accounts. Cresset monitors Access Persons' personal trading activity at least quarterly to ensure compliance with internal control policies and procedures and our Code of Ethics.

The Code of Ethics does not prevent or prohibit Access Persons from trading in securities that we may recommend or in which we may invest Client assets, but rather prescribes the governing principals relative to the same (see above). As such, it is possible that (1) Cresset or its Access Persons could recommend to Clients, or buy or sell for Client accounts, securities in which one or more Access Persons (including Cresset or its affiliates) has a material financial interest, (2) Access Persons (including Cresset or its affiliates) could invest in the same securities (or related securities) that we recommend to Clients, or (iii) Cresset (including its affiliates) and its Access Persons could recommend securities to Clients, or buy or sell securities for Client accounts, at or about the same time that one or more Access Persons (including Cresset or its affiliates) buys or sells the same securities for its own account. This presents a potential conflict in that the Access Person might seek to benefit himself or herself from this type of trading activity in the same securities, either by trading for personal accounts in advance of Client trading activity, or otherwise. All such activity must be in strict adherence with our Code of

Ethics and must fundamentally place the Clients' interests first. Moreover, it is our policy that neither Cresset nor its associated persons will have priority over a Client's account[s] in the purchase or sale of securities.

We may also combine orders to purchase securities for Cresset, its associated persons and/or their families with a Client's order to purchase securities ("block trading"). Please refer to Item 12 for more information on block trading. A conflict of interest may exist in these events because we have the ability to trade ahead of Clients and may potentially receive more favorable prices (for Cresset, its associated persons and/or their families) than the Client will receive. To eliminate this conflict of interest, we will make reasonable attempts to trade securities in Client accounts at or prior to trading the securities in Cresset accounts, or accounts of associated persons and/or their families. Trades executed the same day will likely be subject to an average pricing calculation. Moreover, it is our policy that neither Cresset nor its associated persons will have priority over a Client's account[s] in the purchase or sale of securities.

Neither Cresset nor its associated persons has any material financial interest in Client transactions beyond the provision of investment advisory services or other services as disclosed in this Brochure.

Cresset does not engage in principal trading (*i.e.*, the practice of selling stock to advisory Clients from our inventory or buying stocks from advisory Clients into our inventory). Nor does Cresset engage in agency cross transactions.

Clients or prospective Clients may obtain a copy of our Code of Ethics by contacting us at the e-mail or phone number listed on the cover page of this Brochure.

Item 12: Brokerage Practices

Cresset will generally require discretionary advisory Clients to provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to these Clients for securities transactions. In limited circumstances, Cresset will allow a discretionary advisory Client to select its own broker-dealer. (See below for more information on directed brokerage.)

Order Aggregation/Block Trading/Allocations

Cresset's advice to certain Clients and the action of Cresset for those and other Clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular Client in light of his/her applicable investment objective, guidelines, risk tolerance and circumstances. Thus, any action of Cresset with respect to a particular investment may, for a particular Client, differ or be opposed to the recommendation, advice or actions of Cresset to or on behalf of other Clients. Cresset acts in accordance with our duty to seek best price and execution and will not continue any arrangements if we determine that such arrangements are no longer in the best interest of our Clients.

As Cresset may be managing accounts with similar investment objectives, Cresset may aggregate orders for securities for such accounts. In this event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by Cresset in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts. Such aggregate orders may include transactions for accounts for employee benefit plans and private investment vehicles, such as limited partnerships or limited liability companies, in which Cresset, its affiliates, principals or employees are among the investors.

Cresset's allocation procedures seek to allocate investment opportunities among Clients in the fairest possible way, taking into account Clients' best interests. Cresset will follow procedures to ensure that

allocations do not involve a practice of favoring or discriminating against any Client or group of Clients. Account performance is never a factor in trade allocations.

Cresset will aggregate, *i.e.*, "block," trades where possible and when advantageous to Clients. We must reasonably believe that the order aggregation will benefit, and will enable us to seek best execution for each Client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price.

Cresset will block trades among Clients whose accounts can be traded at a given broker-dealer. Blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple Client accounts, as long as transaction costs are shared equally and on a pro-rata basis between all accounts included in the block. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended exposure. All Clients participating in each aggregated order will generally receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro-rata portion of commissions, provided, however, that an adjustment may be appropriate in some circumstances.

Prior to entry of an aggregated order, each Client account participating is identified in the order and the proposed allocation of the order, upon completion, to those Clients. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating Client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating Client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any Client account, or to avoid excessive ticket charges in smaller accounts. Our Client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account. Funds and securities for aggregated orders are clearly identified in our records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating Client.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if Cresset believes that a larger size block trade would lead to best overall price for the security being transacted.

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the Clients in the order, taking into account all relevant factors including, but not limited to, the size of each Client's allocation, Clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

Transactions for any Client account may not be aggregated for execution if the practice is prohibited by the Client or with Cresset's order allocation policy.

Private Non-traded Offerings

For private non-traded offerings, the necessary qualifying documents must be on file or provided to

Cresset. After determining Client qualification (based on such qualifying factors as determined by Cresset in the exercise of its duty, including Client accredited or qualifying status and Client IPS), Cresset will contact Clients to determine interest. If pre-qualified Clients express interest, the following is the allocation process, which is subject to change at the discretion of the Cresset or the broker-dealer or placement agent through which the offering is made.

- If a full allocation is received, pre-qualified Clients and all electing and pre-qualified Access Persons (including Cresset and its affiliates) and will receive 100% of their indication of interest.
- If a partial allocation is received, interests will be fairly and consistently allocated to pre-qualified Clients and electing Access Persons (including Cresset and its affiliates) based on a number of factors determined by Cresset in the exercise of its duty to its Clients.

In making allocations of private non-traded offerings, Cresset shall not favor the interests of one Client over another and shall not discriminate. All allocations shall be made on an equitable basis.

Broker-Dealer Relationships and Benefits

Fidelity

Cresset may recommend or require that Clients establish a brokerage account and custody their assets with National Financial Services LLC, Fidelity Clearing and Custody Solutions and Fidelity Brokerage Services LLC (together with all affiliates "Fidelity"), through which Fidelity provides Cresset with Fidelity's "platform" services for independent investment advisors. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support advisors like Cresset in conducting business and in serving the best interests of their Clients but that may benefit Cresset.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (*i.e.*, transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity may enable Cresset to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Fidelity may also make available to Cresset, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Cresset (within specified parameters). These research and brokerage services would be used by Cresset to manage accounts for which it has investment discretion. Cresset may also receive additional services from Fidelity. For example, these research and brokerage services may include those provided by Reuters, Standard and Poor's and Bloomberg and may be used by Cresset to manage accounts and provide advice regardless of whether a Client uses Fidelity. Without this arrangement, Cresset might be compelled to purchase the same or similar services at its own expense.

Further, Cresset has received transition assistance from Fidelity which is described below.

Fidelity Transition Assistance

Pursuant to a services agreement, Fidelity has agreed to directly pay certain vendors up to \$390,000 in eligible transition related expenses incurred by Cresset, which are generally start-up costs and expenses related to such things as overhead, computers, software and research, Client record management system.

These expenses and payments are to be reviewed in accordance with Fidelity's policies and procedures. As part of our transition, Fidelity has also offered to reimburse up to \$100,000 in account termination fees and close out fees (ACAT fees) for Client accounts transferred to Fidelity from said Clients then current custodians. Fidelity has also agreed to customize transition support and to reimburse ACAT fees and certain transition expenses for each additional independent investment advisor introduced to Fidelity by us. Fidelity will assign us a transition team that will provide us with implementation assistance and training. This may include onsite support.

Fidelity is offering us a certain pricing and fee structure based on the number of Client accounts that will be transferred to Fidelity within twelve (12) months and the amount of assets that will be custodied with Fidelity within twelve (12) months.

This transition assistance is intended to assist us with implementation and start-up costs, including rent, overhead expenses, computers, monies owed to third parties and similar costs. This assistance is also intended to help us transition Clients to the Fidelity platform, and have Clients custody their assets with Fidelity. This presents a conflict of interest in that we have a financial incentive to maintain a relationship with Fidelity, and direct our Clients to custody at and effectuate transactions through Fidelity in order to benefit by having the transition assistance, to qualify for certain assistance and/or to obtain certain pricing and fee structure.

Clients should be aware that in evaluating whether to recommend that Clients custody their assets or establish brokerage accounts at Fidelity, we will consider the availability of some of the benefits received (as described above and in Item 14) as part of the total mix of factors we examine, and may not solely consider the nature, cost or quality of custody and brokerage services provided by Fidelity, which may create a potential conflict of interest and may influence our choice of custody and brokerage services recommend to Clients. As a result of receiving services for no additional cost, Cresset may have an incentive to continue to use or expand the use of Fidelity's services.

However, as part of our fiduciary duties to our Clients, we must at all times put the interests of our Clients first. Our receipt of benefits from Fidelity does not diminish our duty to act in the best interests of our Clients, including seeking best execution of trades for Client accounts. Furthermore, we have conducted due diligence on Fidelity and believe it to provide quality services and comparable pricing.

Cresset and Fidelity are not affiliates, and no broker-dealer affiliated with Cresset is involved in the relationship between Cresset and Fidelity.

Raymond James

Cresset may recommend Clients establish brokerage accounts with Raymond James Financial Services, Inc. (RJFS), a FINRA member and SEC registered investment advisor. RJFS provides Cresset with access to its institutional trading and operations services, which typically are not available to RJFS retail customers. These services are generally available, without cost, to financial advisory firms who maintain a minimum threshold of Client assets with RJFS.

Services provided by RJFS to Cresset may include research (including mutual fund research, third-party research, and Raymond James & Associates, Inc.'s (RJA) proprietary research), brokerage, custody, and access to mutual funds and other investments that are available only to institutional investors or would require a significantly higher minimum initial investment. In addition, RJFS may make available software and other technologies that provide access to Client account data (such as trade confirmations and account statements); facilitate trade execution; provide research, pricing information, quotation services, and other market data; assist with contact management; facilitate payment of fees to Cresset from Client accounts;

assist with performance reporting; facilitate trade allocation; and assist with back-office support, record-keeping, and Client reporting. RJFS may also provide access to financial planning software, practice management consulting support, best execution assistance, consolidated statements assistance, educational and industry conferences, marketing and educational materials, technological and information technology support, and RJFS corporate discounts. Many of these services may be used to service all or a substantial number of Cresset's Clients' accounts, including accounts not maintained at RJFS. RJFS may also make available to Cresset other products and services that benefit Cresset, but may not benefit its Clients' accounts. RJFS may also provide Cresset with other benefits such as occasional business entertainment of Cresset personnel.

RJFS may also provide Cresset with other services intended to help Cresset manage and further develop its business enterprise, including assistance in the following areas: consulting, publications and presentations, information technology, business succession, and marketing. In addition, RJFS may make available or arrange and/or pay for these types of services provided by independent third parties, including regulatory compliance.

Cresset may utilize RJFS for custody of customer assets and execution of customer transactions. RJA, a corporate affiliate of RJFS and member of the New York Stock Exchange and the Securities Investor Protection Corporation, acts as the clearing agent in the execution of securities transactions placed through RJFS. Cresset, subject to its best execution obligations, may trade outside of RJFS. In the selection of broker-dealers, Cresset may consider all relevant factors, including the commission rate, the value of research provided, execution capability, speed, efficiency, confidentiality, familiarity with potential purchasers and sellers, financial responsibility, responsiveness, and other relevant factors. Cresset may retain and compensate RJFS and/or RJA to provide various administrative services that include determining the fair market value of assets held in the account at least quarterly and producing a brokerage statement for Client detailing account assets, account transactions, receipt and disbursement of funds, interest and dividends received, and account gain or loss by security and the total account.

Raymond James Transition Assistance

Pursuant to a services agreement, Raymond James has provided us with cash transition assistance from \$200,000 to \$1,400,000, the amount of which is contingent upon custodizing a certain amount of assets with Raymond James within eighteen (18) months of entering into that services agreement. In order to retain this cash transition assistance, we must maintain a minimum asset level with Raymond James for a period of five (5) years. If we fail to transition a certain minimum asset level to custody with Raymond James, then we have to repay Raymond James 10% of any of the above-referenced transition assistance for each 5% we fall below the minimum asset level within this five (5) year period. Except as provided for above, the cash transition assistance is generally not subject to repayment.

As part of our transition, Raymond James has also agreed to pay certain ACAT fees for Client accounts transferred to Raymond James within six months of entering into the services agreement. Further, Raymond James has also offered to pay travel expenses associated with attending an IAD conference within one year of entering into the services agreement. Raymond James will assign us a transition team that will provide us with implementation assistance and training. This will include onsite support.

Raymond James is offering us a certain pricing and fee structure based on the number of Client accounts that will be transferred to Raymond James within twelve (12) months and the asset level with Raymond James.

This transition assistance is intended to assist us with start-up costs, including rent, overhead expenses, computers, monies owed to third parties and similar costs. This presents a conflict of interest in that we

have a financial incentive to maintain a relationship with Raymond James, and direct our Clients to custody at and effectuate transactions through Raymond James in order to benefit by having the transition assistance, to qualify for certain assistance and to not be required to repay certain assistance received.

Clients should be aware that in evaluating whether to recommend that Clients custody their assets or establish brokerage accounts at Raymond James, we will consider the availability of some of the benefits received (as described above and in Item 14) as part of the total mix of factors we examine, and may not solely consider the nature, cost or quality of custody and brokerage services provided by Raymond James, which may create a potential conflict of interest and may indirectly influence our choice of custody and brokerage services.

Cresset must at all times put the interests of our Clients first, and our receipt of benefits from Fidelity and/or RJFS does not diminish our duty to act in the best interests of our Clients, including seeking best execution of trades for Client accounts. Furthermore, we have conducted due diligence on Raymond James and believe it to provide quality services and comparable pricing.

Cresset must at all times put the interests of our Clients first, and our receipt of benefits from Fidelity and/or RJFS does not diminish our duty to act in the best interests of our Clients, including seeking best execution of trades for Client accounts.

Cresset and RJFS are not affiliates, and no broker-dealer affiliated with Cresset is involved in the relationship between Cresset and RJFS.

Pershing

Cresset may recommend Clients establish brokerage accounts with Pershing LLC ("Pershing"). The Advisor participates in the Pershing Institutional Advisor Program. Pershing is a FINRA-registered broker-dealer and member SIPC. The Advisor maintains an institutional relationship with Pershing, whereby the Advisor receives economic benefits from Pershing.

Best Execution

As stated above, Cresset may recommend or require that its Clients establish broker accounts with Fidelity and/or RJFS. Such accounts will be "prime broker" eligible so that if and when the need arises to effect securities transactions from those accounts at broker-dealers other than with the current custodian ("executing brokers"), such custodian will accept delivery or deliver the applicable security from/to the executing brokers. Fidelity and/or RJFS may charge a "trade away" fee which is charged against the Client's account[s] for each "trade away" occurrence. Other custodians have their own policies concerning prime broker accounts and trade away fees. Clients are encouraged to consult their current custodian for its policies and fees.

If the Client is receiving discretionary advisory services, Cresset, pursuant to the terms of its management agreement with Clients, will have discretionary authority to determine which securities are to be bought and sold and the price of such securities to effect such transactions. Cresset recognizes that the analysis of execution quality involves a number of qualitative and quantitative factors. Cresset will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing Client orders. These factors include, but are not limited, to the following:

- The financial strength, reputation and stability of the broker-dealer;
- The efficiency with which the transaction is effected; the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);

- The availability of the broker-dealer to stand ready to effect transactions of varying degrees of difficulty in the future;
- The efficiency of error resolution, clearance and settlement;
- Block trading and positioning capabilities;
- Performance measurements;
- Online access to computerized data regarding customer accounts;
- Availability, comprehensiveness, and frequency of brokerage and research services;
- Commission rate;
- The economic benefit to the Clients; and
- Related matters involved in the receipt of brokerage services.

Consistent with its fiduciary responsibilities, Cresset seeks to ensure that Clients receive best execution with respect to the Clients' transactions by blocking Client trades to reduce commissions and transaction costs. To the best of Cresset's knowledge and due diligence inquiries, both Fidelity and/or RJFS provide high-quality execution, and Cresset's Clients pay competitive rates for such execution.

Further, when it chose to enter into the relationship with Fidelity and Raymond James, Cresset examined the potential conflict of interest that arises by virtue of Cresset's receipt of transition assistance, and Cresset has determined that these relationships is in the best interests of Cresset's Clients and satisfies its obligations to its Clients, including its duty to seek best execution. A Client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Cresset determines in good faith that the commission is reasonable in relation to the value of the transition assistance and brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, services and support provided, other assistance provided, execution capability, commission rates and pricing, and responsiveness. Accordingly, although Cresset will seek competitive rates, to the benefit of all Clients, it may not necessarily obtain the lowest possible commission rates for specific Client account transactions. Although the investment research products and services that may be obtained by Cresset will generally be used to service all of Cresset's Clients, a brokerage commission paid by a specific Client may be used to pay for research that is not used in managing that specific Client's account.

Commission rates and securities transaction fees charged to effect transactions are established by the Client's custodian and/or broker-dealer based on their respective analysis of asset level, accounts and activity to be conducted through said custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, Cresset believes that Fidelity's and RJFS' commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

Trade Errors

Where a trade error occurs in a Client account due to Cresset's error, we will correct the error and ensure the Client account does not suffer a loss or incur an inappropriate transaction cost. However, the Client will not profit from the error, even if the subsequent correction results in a profit due to market movement.

Directed Brokerage

Clients who designate the use of a particular broker-dealer *other* than the one recommended by us should be aware that they will lose any possible advantage Cresset derives from aggregating transactions. Such Client trades are typically affected after the trades of Clients who have not directed the use of a particular broker-dealer. Cresset loses the ability to aggregate trades with other advisory Clients, potentially subjecting the Client to inferior trade execution prices as well as higher commissions.

Brokerage for Client Referrals

Cresset does not receive Client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Item 13: Review of Accounts

Each account receives, at a minimum, an annual review by the advisor managing that account. Accounts may be reviewed more frequently through various means, including telephone calls, in-person meetings, overall strategy reviews, and/or the review of monthly and quarterly statements. Reviews are based on objectives and parameters established by Clients, which are generally memorialized through their Client management agreement[s] and IPS. More frequent reviews may also be triggered by a change in the Client's investment objectives or risk tolerance, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in investment or fund managers, or changes in the economy or financial markets.

Our compliance personnel will also monitor managed and supervised accounts on an ongoing basis to ensure that the advisory services provided to Clients are consistent with the Client's stated IPS.

Cresset will generally evaluate the continued suitability of third-party money managers on, at a minimum, an annual basis. These third-party money managers may also conduct their own review of Clients' accounts.

Depending on the nature of the engagement, financial plans may not be reviewed until after the plan is delivered. The frequency of plan review will be dependent on the agreement terms. If deemed necessary it may be reviewed quarterly, yearly or some other determinate amount of time. Those reviews will revisit the initial plan and determine if any adjustments need to be made to the objectives. Financial planning, by its nature, does not require periodic review. Cresset may use software and other tools to assist in generating a financial plan. In that circumstance, Cresset will periodically evaluate the software and other tools for effectiveness and accuracy.

With respect to managed accounts, investment advisory Clients also receive standard account statements from the independent, qualified custodian of their accounts no less frequently than quarterly. The account statements received from the custodian and/or broker-dealer are the official records of the Client's account[s]. Cresset may provide investment advisory Clients with quarterly performance reports as well. This report would generally be an account appraisal and may identify some or all of the following information: current positions, security cost basis and current market value, and capital contributions and withdrawals from the account. These reports will often be provided electronically or presented in face-to-face meetings. All such reports are in addition to custodial statements; Cresset's reports do not replace custodial statements.

Additional reporting may also be provided by third-party money managers. Any such additional reporting will be disclosed in the separate disclosure documents maintained by third-party money managers.

No on-going financial planning reports are provided for financial planning Clients unless a financial plan update or additional services are requested. Cresset will update a plan as needed and when objectives or financial situation change.

Item 14: Client Referrals and Other Compensation

We do not currently receive any compensation from any third-party in connection with providing advice to our Clients. It is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from any third-party in conjunction with the advisory services we provide our Clients.

We do not currently compensate any individual or firm for Client referrals.

As disclosed in item 12 (Brokerage Practices) above, Cresset may participate in Fidelity, RJFS and/or Pershing institutional advisor programs, in which Fidelity, RJFS, and/or Pershing (as applicable) provides Cresset access to its institutional trading and custody services, which are typically not available to retail investors. Such services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Fidelity, RJFS, and/or Pershing may make available to Cresset other products and services that benefit us, but that may not directly benefit our Clients' accounts. Many of these products and services may be used to service all or some substantial number of our Client accounts, including accounts not maintained at the respective broker-dealer. Products and services that may assist us in managing and administering our Clients' accounts include software and other technology that:

- Provide access to Client account data (such as trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple Client accounts;
- Provide research, pricing and other market data;
- Facilitate payment of our fees from Clients' accounts; and assist with back-office functions, record keeping and Client reporting;
- Receipt of duplicate Client statements and confirmations; and
- The ability to have advisory fees deducted directly from our Client's accounts.

Other services may be offered to help us manage and further develop our business enterprise. These services may include, but are not necessarily limited to:

- Compliance, legal and business consulting;
- Publications and conferences on practice management and business succession;
- Access to employee benefits providers, human capital consultants and insurance providers;
- Assistance with back-office functions, record keeping and Client reporting; and
- Access to mutual funds with no transaction fees and to certain institutional money managers.

A broker-dealer may make available, arrange and/or pay third party vendors for the types of services rendered to Cresset. The broker-dealer may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to Cresset.

Although the above benefits may assist Cresset in managing and administering Clients' accounts, including those not maintained at a broker-dealer, some of the products and services made available may benefit Cresset in managing and developing its business, but may not directly benefit Cresset' Clients. Clients should be aware, however, that the receipt of economic benefits by Cresset and/or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of a broker-dealer for custody and brokerage services.

Transition Assistance

As provided in Item 12 above, Fidelity has agreed to directly pay certain vendors up to a certain maximum amount in eligible transition related expenses incurred by Cresset, which are generally start-up costs and expenses related to such things as overhead, computers, software and research, Client record management system. As part of our transition, Fidelity has also offered to reimburse account termination fees and close out fees (ACAT fees) for Client accounts transferred to Fidelity from said Clients then current custodians. Fidelity has also agreed to customize transition support and to reimburse ACAT fees and certain transition expenses for each additional independent investment advisor introduced to Fidelity by us. Fidelity will assign us a transition team that will provide us with implementation assistance and training. This may include onsite support.

Fidelity is offering us a certain pricing and fee structure based on the number of Client accounts that will be transferred to Fidelity within twelve (12) months and the amount of assets that will be custodied with Fidelity within twelve (12) months.

As further provided in Item 12 above, Raymond James has provided us with cash transition assistance that is contingent upon custodizing a certain amount of assets with Raymond James within eighteen (18) months year of entering into the services agreement and with a minimum asset level being maintained with Raymond James for a period of five (5) years from the services agreement. Part of the cash transition assistance is subject to repayment by us if we fail to transition a certain minimum asset level to custody with Raymond James or we fail to maintain a minimum asset level within this five (5) year period. As part of our transition, Raymond James has also offered to pay certain account termination fees (ACAT fees) for Client accounts transferred to Raymond James within six months of entering into the services agreement. Raymond James has also offered to pay travel expenses associated with attending an IAD conference within one year of entering into the services agreement. Raymond James will assign us a transition team that will provide us with onsite implementation assistance and training.

This transition assistance is intended to assist us with start-up costs, including rent, overhead expenses, computers, monies owed to third parties and similar costs. This presents a conflict of interest in that we have a financial incentive to maintain a relationship with both Fidelity and Raymond James, and direct our Clients to custody at and effectuate transactions through Fidelity and Raymond James in order to benefit from the transition assistance. However, when we recommend that Clients use either Fidelity or Raymond James, it is because we believe it is in our Clients' best interests to do so based on the quality and pricing of the execution, and other services provided by Fidelity and Raymond James.

Business Entertainment

Our personnel may be occasionally provided with *de minimis* meals and entertainment from other financial service providers or third parties in the industry. This may present a conflict of interest in that we have an incentive to maintain a relationship with such providers or third parties. However, all such business entertainment will be conducted in strict accordance with our Code of Ethics and we will act in our Clients best interests when engaging in any business with such providers or third parties.

Item 15: Custody

Cresset does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct Cresset to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by Cresset to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

Item 16: Investment Discretion

When a Client hires Cresset to provide discretionary investment advisory services, we have the authority to place trades, buy and sell securities on the Client's behalf, determine the amount of the securities to buy and sell, and determine the nature and type of securities to buy and sell without obtaining a Client's consent or approval prior to each transaction. In some cases, we will have the authority to hire and fire third-party money managers. Clients who give us discretionary authority will give Cresset a limited power of attorney and/or trading authorization forms to make the above decisions on the Client's behalf.

Clients may limit our authority by giving us written instructions, restrictions and guidelines via email communication or other written instructions. For example, a Client may specify that the Client's account not contain investments in a specific industry. Clients can change such instructions, restrictions and guidelines by providing us with written instructions. The most current written instructions will control. We will not accept instructions via text message or similar instant messaging methods.

If the Client enters into a non-discretionary arrangement with Cresset, we will obtain the Client's approval prior to the execution of any transactions in the account[s]. With such an arrangement, the Client has the unrestricted right to decline to implement advice provided by us on a non-discretionary basis.

Item 17: Voting Client Securities

Regardless of whether Cresset has discretion over a Client's account[s], we will not vote proxies on behalf of any Client.

Cresset will instruct the qualified, independent custodian to forward all proxy materials to the Client to review and make his or her own informed decision on how to vote. In the event we receive the proxy material, we will forward them directly to the Client by mail or by electronic mail (if the Client has authorized electronic communication).

Item 18: Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Cresset does not have any financial issues that would impair its ability to provide services to Clients, and Cresset has not been the subject of a bankruptcy petition at any time during the past ten years. We have no additional financial circumstances to report.